



**LDI** Louisiana  
Department of  
Insurance

# NEWS RELEASE

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James J. Donelon  
Commissioner of Insurance



**FOR IMMEDIATE RELEASE**

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## **Commissioner Donelon Proposes Fines for Insurers' Improper Activity in the Aftermath of 2020 Hurricanes**

Insurance Commissioner Jim Donelon has proposed fining five homeowners insurance companies a combined \$764,750 following targeted market conduct examinations of their insurance activities between August 27, 2020, and June 30, 2021, a period in which hurricanes Laura, Delta and Zeta made landfall in Louisiana.

The five examinations found 44 instances of improper activities and/or business practices that were noncompliant with the Louisiana Insurance Code. Violations were found in the areas of claims handling, complaint handling, and operations and management.

The five companies for which the LDI has proposed fines are United Property & Casualty Insurance Company, GeoVera Specialty Insurance Company, FedNat Insurance Company, Maison Insurance Company and Allied Trust Insurance Company. The LDI retained Risk & Regulatory Consulting, LLC to assist with the examination. All five examination reports were adopted on April 11, 2022.

"The devastation and impact of the 2020 hurricane season was overwhelming, but that doesn't excuse the activities we discovered in our market conduct examinations of these five insurers," said Commissioner Donelon. "I strongly encourage our state's insurance industry to take note of the unacceptable behavior we found and know we will continue to pursue appropriate fines and regulatory action against any insurer that is not meeting their obligations."

United Property & Casualty has a proposed fine of \$250,000 after the examination found 10 instances of improper activities and/or business practices, including failing to conduct an on-site review of the underwriting and claims processing operations of its managing general agent; forcing policyholders to pursue litigation to recover amounts due under their insurance policy; failing to make payment within

the required timeframe following the submission of satisfactory proof of loss; and other violations. A full description of the violations can be found in the [examination report](#).

GeoVera has a proposed fine of \$183,000 after the examination found 9 instances of improper activities and/or business practices, including failing to make payment within the required timeframe following the submission of satisfactory proof of loss; utilizing multiple desk adjusters in a way that delayed the claim investigation and settlement; and other violations. A full description of the violations can be found in the [examination report](#).

FedNat has a proposed fine of \$173,500 after the examination found 10 instances of improper activities and/or business practices, including failing to make payment within the required timeframe following the submission of satisfactory proof of loss; utilizing multiple desk adjusters in a way that delayed the claim investigation and settlement; and other violations. A full description of the violations can be found in the [examination report](#).

Maison has a proposed fine of \$115,000 after the examination found 5 instances of improper activities and/or business practices, including failing to make payment within the required timeframe following the submission of satisfactory proof of loss; utilizing multiple desk adjusters in a way that delayed the claim investigation and settlement; and other violations. A full description of the violations can be found in the [examination report](#).

Allied Trust has a proposed fine of \$43,250 after the examination found 10 instances of improper activities and/or business practices, including failing to make payment within the required timeframe following the submission of satisfactory proof of loss; failing to respond to claim inquiries and requests within 14 days; and other violations. A full description of the violations can be found in the [examination report](#).

The companies have 30 days from the date of the adopted examination report to appeal the LDI's findings.

Anyone concerned that their insurer is not treating them fairly should contact the LDI Office of Consumer Services at 1-800-259-5300, option 3, or file a complaint online at [ldi.la.gov/fileacomplaint](http://ldi.la.gov/fileacomplaint).

Commissioner Donelon also urges consumers who feel uneasy about any insurance-related transaction to call the LDI Insurance Fraud Division at 225-342-4956 or 1-800-259-5300. If callers do not want their names used, they can request that their involvement be kept confidential.

***About the Louisiana Department of Insurance:*** *The Louisiana Department of Insurance works to improve competition in the state's insurance market while assisting individuals and businesses with the information and resources they need to be informed consumers of insurance. As a regulator, the LDI enforces the laws that provide a fair and stable marketplace and makes certain that insurers comply with the laws in place to protect policyholders. You can contact the LDI by calling 1-800-259-5300 or visiting [www.ldi.la.gov](http://www.ldi.la.gov).*